

CONFIDENTIAL

8 May 1955

MEMORANDUM FOR: Chief, S/TY

SUBJECT: Treasury Comments on MDAC Fact Sheets T-5 and T-15

1. Mr. Harold Pollak, Treasury coordinator for MDAC Fact Sheets, has furnished the following comments.

a) T-5 - Bloc Balance of Payments with Free World

p. 3 - There is an apparent inconsistency between the first sentence of para. 2 and the conclusions in ED/EC D-85a, "Economic Developments in the European Soviet Bloc" with respect to sterling balances. Treasury declares that the statement in T-5 that sterling balances are "believed to be relatively unimportant" is not consistent with statements on the subject in ED/EC D-85a.

p. 3 - Sentences 1 and 2 of para. 3 should read as follows: "The errors and omissions items are residuals which indicate that the bloc had an excess of estimated exchange availabilities over estimated expenditures averaging about \$100 million per year from 1950 through 1953."

p. 4 - under (c) - delete phrase "Hong Kong dollars, U.S. dollars."

b) T-15 (your T-10) - Intra Soviet Bloc Trade

p. 1 - The idea that trade controls have had an effect on such trade should be incorporated in para. 3.

2. Mr. Pollak calls attention also to a possible inconsistency on 1950 export, import figures as found in T-5 (page 5) and the statement which Admiral Delany is prepared to make as found in ED/EC D-86.

3. May I suggest that you get in touch with Mr. Pollak on Code 172, Extension 5627 if you have questions concerning the above comments.

4. Mrs. Bucy, FCA, requests that she be furnished a revised copy of both T-5 and T-15 when Treasury and State comments have been taken into account.

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